

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009016320901**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Infinex Investments, Inc., Respondent
Member Firm
CRD No. 35371

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Infinex Investments, Inc. ("Infinex") has been a member of FINRA since 1994 and is headquartered in Meriden, CT. Infinex is a full-service broker-dealer with its primary business being the retail sale of mutual funds and variable annuities. The firm has approximately 450 branches and 400 registered representatives. Many of the firm's registered representatives work out of more than one office, most of which are located within a bank branch. Infinex has no FINRA disciplinary history.

OVERVIEW

Infinex failed to include all of the terms and conditions on certain corporate bond and municipal bond order tickets, and did not maintain its corporate and municipal bond order ticket information in an easily accessible place. The firm also failed to establish and maintain a supervisory system, and establish, maintain and enforce written supervisory procedures ("WSPs"), reasonably designed to achieve compliance with order ticket recordkeeping and retention requirements.

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This conduct violated NASD Conduct Rules 3010, 3110 and 2110, FINRA Rule 2010, MSRB Rules G-8, G-9 and G-27, and Rules 17a-3 and 17a-4 of the Securities Exchange Act of 1934 ("Exchange Act").

FACTS AND VIOLATIVE CONDUCT

Incomplete Corporate and Municipal Bond Order Tickets

With respect to 43 corporate bond transactions it entered during the months of September 2008, December 2008 and January 2009, Infinex failed to maintain adequate order tickets as follows: ten (10) of the order tickets did not reflect the order type; four (4) of the order tickets did not reflect whether the trade was solicited or unsolicited; two (2) of the order tickets did not disclose the firm's capacity; and two (2) of the order tickets reflected a time of execution that was before the time of order entry. This conduct violated Exchange Act Rule 17a-3, NASD Conduct Rules 2110 (for conduct before December 15, 2008) and 3110 and FINRA Rule 2010 (for conduct after December 14, 2008).

With respect to 45 municipal bond transactions it entered from November 1, 2008 through January 31, 2009, Infinex failed to maintain adequate order tickets as follows: eight (8) of the order tickets did not reflect the order type; three (3) of the order tickets did not reflect whether the trade was solicited or unsolicited; and one (1) order ticket reflected a time of execution that was before the time of order entry. This conduct violated Exchange Act Rule 17a-3 and MSRB Rule G-8.

Failure to Retain Records in an Easily Accessible Place

Moreover, in at least 2009, Infinex failed to maintain its corporate and municipal bond order ticket information in an easily accessible place for a period of two years, as required by Exchange Act Rule 17a-4(b) and MSRB Rule G-9(d). For example, the firm was unable to provide a comprehensive response to FINRA staff's requests for such information for over seven months. By failing to preserve corporate bond transaction order ticket information in an easily accessible place, Infinex violated Exchange Act Rule 17a-4, NASD Conduct Rules 2110 (for conduct before December 15, 2008) and 3110 and FINRA Rule 2010 (for conduct after December 14, 2008). By failing to preserve municipal bond transaction order ticket information in an easily accessible place, Infinex violated Exchange Act Rule 17a-4 and MSRB Rule G-9.

Supervisory Violations

From February 2007 through March 2009, Infinex failed to establish and maintain a supervisory system, and establish, maintain and enforce WSPs, reasonably designed to achieve compliance with corporate and municipal bond order ticket recordkeeping and retention requirements. Specifically, the procedures failed to provide instruction or guidance to Infinex personnel on the manner in which

required order ticket information would be obtained and preserved. Infinex did not provide for the adequate training of firm staff with respect to the comprehensive entry of all required order ticket information and for the retrieval of that information within a reasonable time frame. By failing to establish, maintain and enforce a reasonable supervisory system and/or WSPs, Infinex violated NASD Conduct Rules 2110 (for conduct before December 15, 2008) and 3010, and FINRA Rule 2010 (for conduct after December 14, 2008) with respect to supervision of corporate bond transactions, and it violated MSRB Rule G-27 with respect to supervision of municipal bond transactions.

B. Respondent also consents to the imposition of the following sanctions:

- a censure and a \$15,000 fine (\$7,500 of which pertains to the violations of MSRB Rules G-8, G-9 and G-27).

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that the firm is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against it;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the Respondent;
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a

party; and

- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that the firm has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

Infinex Investments, Inc.

December 23, 2010
Date

By: John F. Martin, Jr.
John F. Martin, Jr.
Senior Vice President, CCO

Accepted by FINRA:

1/20/2011
Date

Signed on behalf of the
Director of ODA, by delegated authority



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